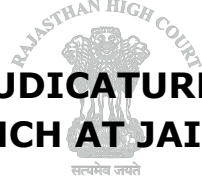




**HIGH COURT OF JUDICATURE FOR RAJASTHAN
BENCH AT JAIPUR**



S.B. Criminal Miscellaneous Bail Application No. 14559/2025

Narendra Choudhary S/o Sohan Lal Choudhary, Aged About 29 Years, R/o Jat Ka Mohalla, Ramner Dhani, Sardar Singh Ji Ki Dhani, Kishangarh, District Ajmer (Present Custody Central Jail, Jaipur From 13.08.2025).

----Applicant

Versus

Union Of India, Through Intelligence Officer, Directorate General Of Goods And Service Tax Intelligence, Jaipur Zonal Unit, Jaipur.

----Respondent

For Applicant(s) : Mr. Prem Sukh Choudhary
For DGGI : Mr. Akshay Bhardwaj with
Mrs. Asmita Sharma
Mr. G.K. Sudhakar, Asst. Director
Mr. Mahesh Kumar, SIO
Mr. Hemant Kumar Tanwar, IO (DGGI)

HON'BLE MR. JUSTICE SAMEER JAIN

Order

28/11/2025

1. The instant bail application has been filed under Section 483 BNSS on behalf of accused-applicant. The accused-applicant was arrested in Complaint No.F.No.DGGI/INT/INTL/755/2025-GR-N, dated 13.08.2025, District Jaipur Metro-II for the offences under Sections 132(1),(A),(F)(G)(H) & (L) CGST, 2017 punished under Sections 132(1)(I)&(IV) read with Section 132(5) CGST, 2017.

2. Learned counsel for the accused-applicant has submitted that the instant case pertains to allegations of evasion of Goods and Services Tax (GST), for which the applicant has been in judicial custody for a period of approximately three and a half



months, i.e., since 13.08.2025, under Sections 132 read with Section 69 of the CGST Act, 2017. It is contended that the charge-sheet has already been filed and that recovery has also been effected from the applicant. It is further urged that the applicant has no criminal antecedents and that the offence is triable by the learned Magistrate and is also compoundable at the instance of the Commissioner under the statutory scheme of the CGST Act.

3. It is argued that the commodity in question is marble, and the applicant along with one co-accused Hansraj Gujjar is presently in custody, whereas the main accused and alleged mastermind, namely Pawan Regar, has not been apprehended till date, thereby demonstrating an arbitrary and pick-and-choose approach on part of the respondent-department. Learned counsel further submitted that issuance of a show-cause notice under Section 73 itself may take up to five years, assumingly, and conclusion of the trial may also take considerable time. It is further contended that the applicant is the sole breadwinner of his family and continued incarceration would cause grave hardship. To support the plea made insofar, reliance has been placed on the judgment of the Hon'ble Supreme Court in **Vineet Jain v. Union of India, Criminal Appeal No. 2269/2025 (arising out of SLP (Cri.) No. 4349/2025)**, and on the dictum passed by the Coordinate Bench in **Mohit Vijay v. Union of India, S.B. Criminal Misc. Bail Application No. 7605/2019**.

4. *Per contra*, Shri Akshay Bhardwaj, learned counsel for the DGGI, assisted by the officers present in Court, has vehemently opposed the bail application and has submitted that the case at hand pertains to a serious white-collar economic





offence, committed in a premeditated and well-organized manner. Investigation has revealed that approximately 13 bogus firms were created in the names of poor labourers and persons of limited financial means in order to fraudulently clear marble across India using e-way bills.

5. It is further submitted that the modus operandi of the applicant and co-accused involved procuring GST registrations in the names of such persons, facilitating clandestine removal of goods, and failing to file returns or filing them belatedly. It is alleged that one Pawan Regar, who is stated to have charged ₹55,000 per bogus firm, actively participated in the operation. Intelligence gathered by the Research and Development team from Delhi prompted the DGGI to conduct searches. During the search, the applicant allegedly attempted to tamper with evidence, and one recovered document was partially destroyed (eaten out and attempted to be swallowed).

6. It is submitted that the investigation is ongoing, particularly regarding valuation of the evasion, involvement of remaining co-accused, and unearthing of the wider cartel. Although the preliminary estimate was around Rs. 10 crores, the ongoing investigation has already revealed possible evasion of approximately Rs. 40 crores, which may further escalate into hundreds or thousands of crores as the valuation exercise continues. Qua the judgments cited by the learned counsel for the applicant, it is submitted that the same have distinguishable factual narrative and the same are on a different footing, as the an organized, systematic, and large-scale fiscal fraud involved in the present matter. It is further submitted that the co-accused





persons are yet to be arrested and therefore enlarging the applicant at this critical stage, would seriously impede the investigation, frustrate efforts to protect the revenue, and affect the unearthing of the larger conspiracy. In support of the submissions made insofar, learned counsel has placed reliance upon a catena of dictums passed by the Hon'ble Supreme Court, inter alia, **Naresh J. Sukhwani Vs. Union of India** reported in **1995(4) Suppl.SCC 663**; **Radhika Agarwal VS. Union of India** passed by Hon'ble Supreme Court in **Writ Petition (Criminal) No.336/2018**; **Surjeet Singh Chabra Vs. Union of India** reported in **(1997) 1 SCC 508**; **Virupakshappa Gauda Vs. State of Karnataka** reported in **(2017) 5 SCC 406**; **State of Tamilnadu VS. R.Vasanthi Stanley** reported in **(2016) 1 SCC 376**; **Y.S. Jaganmohan Reddy Vs. CBI** reported in **(2013) 7 SCC 439**; **State of Gujarat Vs. Mohanlal Jitamalji Porwal** reported in **(1987) 2 SCC 364**; **Nimmagadda Prasad VS. CBI** reported in **(2013) 7 SCC 466**; **SFIO Vs. Nittin Johari (2019)** reported in **9 SCC 165**; **Tarun Kumar Vs. Assistant Director Enforcement Directorate** passed by Supreme Court in **SLP Criminal No.9431/2023**; **Rajesh Ranjan Yadav Vs. CBI** reported in **(2007) 1 SCC 70**.

7. Having heard the submissions made by the learned counsel representing the parties, and the Investigating Officer present in Court, and upon a perusal of the material available on record, the case diary, at this stage, the following aspects weigh against the grant of bail to the present applicant:

7.1 Nature and gravity of offence: The allegations pertain to a large-scale, structured, and organized GST fraud involving





creation of multiple bogus firms, clandestine removal of goods, and systematic evasion of tax. The alleged offence reflects deep-rooted conspiracy and economic deceit which have grave repercussions on public revenue.

7.2 Magnitude of evasion and ongoing valuation: Although the initial estimated evasion was around Rs. 10 crores, the ongoing investigation has already pointed to evasion of approximately Rs. 40 crores, and the amount is likely to escalate substantially once valuation and arrest of remaining co-accused are completed.

7.3 Active and ongoing investigation: Several co-accused, including the alleged mastermind Pawan Regar, are yet to be arrested. Nonetheless, the investigation is stated to be at a "full swing", particularly in relation to valuation, tracing the flow of proceeds, and safeguarding revenue through provisional attachments. Thence, grant of bail at this juncture may adversely affect these ongoing investigative efforts.

7.4 Possibility of tampering with evidence: Allegations of attempted tampering with evidence during search, including destruction of a recovered document, cannot be ignored at this stage. Thence, it is prima facie opined that release of the applicant may pose a real risk of influencing or compromising further investigation.

7.5 Distinguishability of cited precedents: The judgments relied upon by the learned counsel for the applicant pertain to materially different factual contexts. In the present case, the scale of fiscal fraud, the organized nature of operations, and the fact that key conspirators are absconding render those precedents





distinguishable. Further, taking note of the ratio opined in **Y.S. Jaganmohan Reddy (supra), Mohanlal Jitamalji Porwal (supra), Nimmagadda Prasad (supra) and SFIO (supra)**, this Court is of a considerate view that "economic offences are to be dealt with iron hand, as such offences are committed with cool calculation and deliberate design and they affect the economic fabric of the whole country. Furthermore, for sake of handiness, the relevant extract from **Y.S. Jaganmohan Reddy (supra)** is reproduced herein below:

"34. Economic offences constitute a class apart and need to be visited with a different approach in the matter of bail. The economic offences having deep-rooted conspiracies and involving huge loss of public funds need to be viewed seriously and considered as grave offences affecting the economy of the country as a whole and thereby posing serious threat to the financial health of the country.

35. While granting bail, the court has to keep in mind the nature of accusations, that nature of evidence in support thereof, the severity of the circumstances which are peculiar to the accused, reasonable possibility of securing the presence of the accused at the trial, reasonable apprehension of the witnesses being tampered with, the larger interests of the public/State and other similar considerations."

(Emphasis supplied)

7.6 Likelihood of the applicant's role being central:

Prima facie, the applicant appears to have played an active role in creation of bogus firms, clandestine clearance of goods, and coordination with co-accused. The alleged conduct indicates





substantive involvement in the core operations of the cartel, which further amounts to an offence of serious nature.

7.7 Impact on revenue and public interest:

Economic offences, particularly those involving fraud on public revenue, are considered grave, and courts have consistently held that such offences must be approached with greater caution while considering bail, as they affect the financial health of the nation and erode public trust, as also opined in the case of **Mohanlal Jitamalji Porwal (supra)**.

8. In view of the above considerations, and looking to the overall facts and circumstances of the case, but without expressing any opinion on the merits or demerits of the case, this Court is not inclined to enlarge the applicant on bail at this stage.

9. Accordingly, the bail application stands dismissed at this stage.

(SAMEER JAIN),J

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